

CHAPTER 1

INTRODUCTION AND PROGRAM OVERVIEW

A. The Federal Program

The legislative and regulatory history of the Weatherization Assistance Program (WAP) for low income persons began on January 4, 1975 with passage of the Emergency Energy Conservation Services (EECS) Program as part of the Economic Opportunity Act. The program was originally administered by the Community Services Administration (CSA) but was transferred in 1977 to the United States Department of Energy (DOE). Authority for DOE's WAP is found in Title IV, Part A, of the Energy Conservation and Production Act of 1976 which also provides for the program's administrative procedures.

In 1977, President Carter proposed the National Energy Act, which passed as the National Energy Conservation Policy Act (NECPA) in November, 1978. The Act contains, along with other conservation programs, provisions for weatherization grants to low income households. The purpose of the program is to aid low income homeowners and renters by installing energy conservation materials in their dwelling units.

The DOE makes weatherization grants directly to states. The Governor then designates a Department within State government to serve as the administering agency for the WAP. Currently, the Department of Housing and Community Development (DHCD), administers the program in Maryland

B. Description of the Maryland Weatherization Assistance Program

New local agency selection policies became effective during State Fiscal Year 2005/DOE Program Year 2004. The new policy allows DHCD to hold a competition to select nonprofit agencies based on experience, capacity and capability in local political subdivisions not served by a local government agency. The selection process is not required to comply with State competitive bid procurement regulations. Local government agencies interested in operating the program are not subject to the selection process.

Agencies provide services in all political subdivisions of the State. WAP works closely with each of these local agencies to ensure that only the highest quality service is offered and resource accountability exists. A complete list of the local agencies and their service territories can be found in Section IV.

C. Funding History

During the years 1979 to 1982, the program received all its funds from the DOE. The local agency service delivery was supplemented by use of labor and management positions funded through the U.S. Department of Labor, Comprehensive Employment Training Act (CETA). The DOE funds were used primarily to pay for materials and supplies. With the enactment of the Omnibus Reconciliation Act of 1982, the Low Income Home Energy Assistance Program (LIHEAP) Block Grant was established. Within these

regulations was an allowance to transfer up to 15% of the LIHEAP funds to WAP. The Maryland Energy Assistance Program (MEAP) made transfers of funds from 1982 through 1988.

The passage of the Graham Rudman Hollins Act in 1987 was devastating to social programs across the country. Until this time, programs like LIHEAP and WAP enjoyed national attention, recognition and increased annual funding. When the first major cuts in funding occurred as a result of Graham-Rudman, MEAP could no longer meet its fuel assistance program obligations and still make large contributions to the WAP.

Fortunately, as the LIHEAP Block Grant was being cut to balance the national budget, major positive changes in funding were occurring for WAP. The DOE began settlement of oil overcharge law suits with the major American oil companies. Billions of dollars in excess profits were reaped by the companies during the 1970's oil embargo. The government sued many of the oil companies and won settlements for damages to the American people caused by overcharging for oil-based products. Large portions of these settlements were distributed to states to be used to fund energy conservation programs like WAP.

Maryland formed the Energy Overcharge Restitution Trust Fund (EORTF) Board in 1985 to administer and distribute the Oil Overcharge case settlement funds to worthy programs. In the beginning, only small amounts of funds were available until the \$2 billion Exxon case was settled. This settlement netted Maryland over \$38 million. WAP applied for and received \$30 million to be used over three (3) to four (4) years. Other settlements yielded large amounts of funding for WAP - Kansas Stripper Well (\$12.5 million) and Diamond Shamrock (\$1.1 million).

In addition to receiving funds from the DOE, the EORTF Board and the LIHEAP Block Grant, the WAP received \$4 million in 1988 from the Power Plant Site Fund. It was determined that, if conservation could reduce the need to build power plants, it would be wise to investment funds in conservation programs like WAP.

WAP funding is broken down into three (3) major categories - administration, training/technical assistance and benefits. The number of units weatherized in any given year is a direct result of funding received for the program and the amount of funds allowed by regulation to be spent on each unit.

On February 17, 2009, President Obama signed into law the American Recovery and Reinvestment Act (Recovery Act) of 2009, Public Law 111-005. The Recovery Act will increase the DOE portion of funding for local weatherization efforts by more than twenty times over a two year period based on FY 08 levels. All changes or adjustments to the WAP program (i.e. income level, assistance per dwelling unit, etc.) mandated by the Recovery Act are incorporated in this manual.

D. State Administration

The State's staff provides the management, technical assistance and administrative support for the program. All changes or adjustments to the WAP program (i.e. income

level, assistance per dwelling unit, etc.) mandated by the Recovery Act are incorporated in this manual.

WAP staff prepares and submits a State Plan to the DOE for their review and approval. This Plan outlines the method for delivering services during the WAP program year, July 1 to June 30. Once the Plan is approved, WAP processes the Weatherization Assistance Agreements (WAA) for the local agencies.

Local agencies are required to submit a Dwelling Unit Report (DUR) for each home weatherized. The DUR provides WAP with demographic information regarding the family, a composite of type of home served, a detailed accounting of the costs to provide the services, and a breakdown of which funding source is charged with the costs. This document is used as the invoice for reimbursement of costs incurred by the agency in providing services to the home. Accompanying each DUR is a Job Work Order detailing the pre and post condition of the home, and outlines the strategies used by the local agency to provide the most cost effective services available. WAP staff uses this information in determining progress toward meeting production goals. The staff also compiles this data so it can be reported to DOE in the Quarterly Report.

E. WAP Network Training and Skills Capacity

To achieve the goal of “standardizing” services throughout the State, individuals must attend training sessions approved by DHCD. The individual must attend both classroom and laboratory sessions and learns how to investigate the many aspects of a dwelling unit's construction and its use of energy.

F. Program Operations Manual Development

This Program Operations Manual (POM) is the State's attempt to consolidate all policies germane to the operation of WAP into a concise, easy to use document. It is intended that this document be an ever-changing reference guide to assist program managers in their efforts to meet the goals and objectives of the program.

The remaining sections of this manual describe the many requirements each sub-grantee must adhere to when operating the WAP. As federal or State requirements necessitate, WAP will periodically update the information in this manual.